

HOUSE BILL 1044

By Towns

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 56 and Title 9, Chapter 21, Part 1, relative
to the disposition of assets of municipal utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, Chapter 56, Part 1, is amended by
adding a new section thereto, as follows:

Section 6-56-152.

(a) Notwithstanding any provision of law to the contrary, no municipally-owned public utility shall be offered for sale or lease unless approval is granted by referendum. The county election commission shall hold an election on the question pursuant to § 2-3-204, providing options to vote "FOR" or "AGAINST" the sale or lease of a municipally-owned public utility, after the receipt of a certified copy of a resolution from the municipality requesting an election. The ballots used in the election shall have printed on them the substance of such resolution and the voters shall vote for or against its approval.

(b) The votes cast on the question shall be canvassed and the results proclaimed by the county election commissioners and certified by them to the local governing body.

(c) The qualifications of voters voting on the question shall be the same as those required for participation in general elections.

(d) All laws applicable to general elections shall apply to the determination of the approval or rejection of the sale or lease of a municipally-owned public utility.

(e) A majority vote of those voting in the election shall determine whether the sale or lease of the public utility shall be approved. If the sale or lease is approved at the election, it shall be eligible for sale or lease as provided in the resolution. If the

proposed sale or lease is not approved at the election, the public utility may not be sold or leased.

(f) For the purposes of this section, sale or lease of a municipally-owned public utility shall mean more than thirty percent (30%) of the assets of such municipally-owned public utility are subject to sale or lease.

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 21, Part 1, is amended by adding the following new section thereto:

Section 9-21-152.

(a) Notwithstanding any provision of law to the contrary, no municipally-owned public utility shall be offered for sale or lease unless approval is granted by referendum. The county election commission shall hold an election on the question pursuant to § 2-3-204, providing options to vote "FOR" or "AGAINST" the sale or lease of a municipally-owned public utility, after the receipt of a certified copy of a resolution from the municipality requesting an election. The ballots used in the election shall have printed on them the substance of such resolution and the voters shall vote for or against its approval.

(b) The votes cast on the question shall be canvassed and the results proclaimed by the county election commissioners and certified by them to the local governing body.

(c) The qualifications of voters voting on the question shall be the same as those required for participation in general elections.

(d) All laws applicable to general elections shall apply to the determination of the approval or rejection of the sale or lease of a municipally-owned public utility.

(e) A majority vote of those voting in the election shall determine whether the sale or lease of the public utility shall be approved. If the sale or lease is approved at the election, it shall be eligible for sale or lease as provided in the resolution. If the

proposed sale or lease is not approved at the election, the public utility may not be sold or leased.

(f) For the purposes of this section, sale or lease of a municipally-owned public utility shall mean more than thirty percent (30%) of the assets of such municipally owned public utility are subject to sale or lease.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.